

1 _____ BILL NO. _____
 2 INTRODUCED BY _____
 3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR LOCAL DISTRIBUTION OF REVENUE FROM
 5 THE SALES TAX ON LODGING AND THE LODGING FACILITIES USE TAX; DISTRIBUTING A PORTION OF
 6 THE SALES TAX ON LODGING TO THE CITY OR COUNTY WHERE THE ACCOMMODATION IS LOCATED;
 7 DISTRIBUTING A PORTION OF THE LODGING FACILITIES USE TAX TO COUNTIES; REQUIRING THE
 8 REVENUE DISTRIBUTED TO CITIES AND COUNTIES TO BE USED FOR PROPERTY TAX RELIEF;
 9 AMENDING SECTIONS 15-10-420, 15-65-112, 15-65-121, 15-68-502, 15-68-820, 22-3-1303, 22-3-1304, 22-3-
 10 1307, AND 90-1-135, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
 14 NEW SECTION. **Section 1. Lodging sales and use tax distribution account.** (1) There is a lodging
 15 sales and use tax distribution account in the state special revenue fund. The revenue allocated to the account
 16 as provided in 15-65-121(2)(f) and 15-68-820(3) must be deposited in the account and distributed as provided
 17 in this section.

18 (2) The department shall determine at the end of each fiscal year the amount of tax, late payment
 19 interest, and penalties deposited in the account as provided in 15-68-820(3) from sales of accommodations in
 20 each incorporated city or town and each county and distribute the tax, late payment interest, and penalties as
 21 provided in this subsection (2) by August 31. If the accommodations are located in an incorporated city or town,
 22 the department shall distribute the tax, late payment interest, and penalties to the incorporated city or town. If
 23 the accommodations are not located in an incorporated city or town, the department shall distribute the tax, late
 24 payment interest, and penalties to the county in which the accommodations are located. The department shall
 25 distribute equally among the counties the tax, late payment interest, and penalties from sales of
 26 accommodations for which the department cannot determine the location.

27 (3) The department shall determine at the end of each fiscal year the amount of tax, late payment
 28 interest, and penalties deposited in the account as provided in 15-65-121(2)(f) from the use of accommodations

and distribute equally among the counties by August 31 the tax, late payment interest, and penalties.

(4) A payment required pursuant to this section may be withheld if, for more than 90 days, a local government fails to:

(a) file a financial report required by 15-1-504;

(b) remit any amounts collected on behalf of the state as required by 15-1-504; or

(c) remit any other amounts owed to the state or another taxing jurisdiction.

NEW SECTION. Section 2. Lodging sales and use tax account. (1) The governing body of an incorporated city or town or county receiving lodging sales and use tax under [section 1] shall establish a lodging sales and use tax account to hold the collections.

(2) The revenue deposited in the account each year must be used to reduce the incorporated city's or town's or county's property tax levy in the next year. The revenue used to reduce property tax levies must be transferred to the account in which property tax revenue is deposited.

Section 3. Section 15-10-420, MCA, is amended to read:

"15-10-420. Procedure for calculating levy. (1) (a) Subject to the provisions of this section, a governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3 years. The maximum number of mills that a governmental entity may impose is established by calculating the number of mills required to generate the amount of property tax actually assessed in the governmental unit in the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half of the average rate of inflation for the prior 3 years.

(b) A governmental entity that does not impose the maximum number of mills authorized under subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority carried forward may be imposed in a subsequent tax year.

(c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers,

1 using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of
2 labor.

3 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any
4 additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit,
5 including newly taxable property.

6 (3) (a) For purposes of this section, newly taxable property includes:

7 (i) annexation of real property and improvements into a taxing unit;

8 (ii) construction, expansion, or remodeling of improvements;

9 (iii) transfer of property into a taxing unit;

10 (iv) subdivision of real property; and

11 (v) transfer of property from tax-exempt to taxable status.

12 (b) Newly taxable property does not include an increase in value:

13 (i) that arises because of an increase in the incremental value within a tax increment financing
14 district; or

15 (ii) caused by the termination of an exemption that occurs due to the American Rescue Plan Act,
16 Public Law 117-2, and section 14, Chapter 506, Laws of 2021.

17 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
18 release of taxable value from the incremental taxable value of a tax increment financing district because of:

19 (i) a change in the boundary of a tax increment financing district;

20 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

21 (iii) the termination of a tax increment financing district.

22 (b) If a tax increment financing district terminates prior to the certification of taxable values as
23 required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax
24 increment financing district terminates. If a tax increment financing district terminates after the certification of
25 taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the
26 following tax year.

27 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was
28 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current

1 year market value of that property less the previous year market value of that property.

2 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale
3 of real property that results in the property being taxable as class four property under 15-6-134 or as
4 nonqualified agricultural land as described in 15-6-133(1)(c).

5 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

6 (a) school district levies established in Title 20; or

7 (b) a mill levy imposed for a newly created regional resource authority.

8 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes
9 received under 15-6-131 and 15-6-132.

10 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

11 (a) may increase the number of mills to account for a decrease in reimbursements or for a
12 decrease in lodging tax distributions under [section 1]; and

13 (b) may not increase the number of mills to account for a loss of tax base because of legislative
14 action that is reimbursed under the provisions of 15-1-121(7).

15 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for
16 purposes of 15-10-109, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated
17 by the department may not exceed the mill levy limits established in those sections. The mill calculation must
18 be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
19 calculation must be rounded up to the nearest tenth of a mill.

20 (9) (a) The provisions of subsection (1) do not prevent or restrict:

21 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

22 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

23 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

24 (iv) a levy for the support of a study commission under 7-3-184;

25 (v) a levy for the support of a newly established regional resource authority;

26 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's
27 property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703;

28 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an

1 adjoining county under 7-2-2807 upon relocation of a county boundary;
2 (viii) a levy used to fund the sheriffs' retirement system under 19-7-404(2)(b); or
3 (ix) a governmental entity from levying mills for the support of an airport authority in existence prior
4 to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past.
5 The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.
6 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
7 actually assessed in a subsequent year.
8 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-
9 11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
10 authority in either of the previous 2 years and the airport or airport authority has not been appropriated
11 operating funds by a county or municipality during that time.
12 (11) The department may adopt rules to implement this section. The rules may include a method for
13 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
14 improvements, or newly taxable value in a governmental unit. (Subsection (3)(b)(ii) terminates December 31,
15 2025--sec. 13(5), Ch. 506, L. 2021.)"

16
17 **Section 4.** Section 15-65-112, MCA, is amended to read:

18 **"15-65-112. Collection and reporting.** (1) The seller of accommodations shall collect the tax
19 imposed by 15-65-111.

20 (2) The seller shall report to the department of revenue, at the end of each calendar quarter, the
21 gross receipts collected during that quarter attributable to the sales price paid by the purchaser. The report is
22 due on or before the last day of the month following the end of the calendar quarter and must be accompanied
23 by a payment in an amount equal to the tax required to be collected under this section. The report must include
24 the physical address of the accommodation."

25
26 **Section 5.** Section 15-65-121, MCA, is amended to read:

27 **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-
28 65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the state special

revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 17-2-124 and as provided in subsections (2)(a) through ~~(2)(i)~~ (2)(j) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount from the tax proceeds received each reporting period. The department shall distribute the portion of the 4% that was paid with federal funds to the agency that made the in-state lodging expenditure and deposit 30% of the amount deducted less the portion paid with federal funds in the state general fund.

(2) The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with federal funds, or deposited in the heritage preservation and development account must be transferred to an account in the state special revenue fund to the credit of the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials, to the lodging sales and use tax distribution account, to the Montana historical interpretation state special revenue account, to the Montana historical society, to the university system, to the state-tribal economic development commission, and to the department of fish, wildlife, and parks, as follows:

(a) 1% to the Montana historical society to be used for the installation or maintenance of roadside historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) 1.4% to the invasive species state special revenue account established in 80-7-1004;

(e) ~~60.3%~~ 30.15% to be used directly by the department of commerce;

(f) 30.15% to the lodging sales and use tax distribution account provided for in [section 1];

~~(f)(g)~~ (i) except as provided in subsection ~~(2)(f)(ii)~~ (2)(g)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district;

~~(g)~~(h) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal economic development commission established in 90-1-131 for activities in the Indian tourism region;

~~(h)~~(i) 2.6% to the Montana historical interpretation state special revenue account established in 22-3-115; and

~~(i)~~(j) 2.7% or \$1 million, whichever is less, to the Montana heritage preservation and development account provided for in 22-3-1004. The Montana heritage preservation and development commission shall report on the use of funds received pursuant to this subsection ~~(2)(i)~~ (2)(j) to the legislative finance committee on a semiannual basis, in accordance with 5-11-210.

(3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

(4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials.

(5) The tax proceeds received that are transferred to a state special revenue account pursuant to subsections (2)(a) through (2)(c), (2)(e), and ~~(2)(f)~~ (2)(g) are statutorily appropriated to the entities as provided in 17-7-502.

(6) The tax proceeds received that are transferred to the invasive species state special revenue account pursuant to subsection (2)(d), to the Montana historical interpretation state special revenue account pursuant to subsection ~~(2)(h)~~ (2)(i), and to the Montana heritage preservation and development account

1 pursuant to subsection ~~(2)(i)~~ (2)(i) are subject to appropriation by the legislature. (Terminates June 30, 2027--
2 sec. 12, Ch. 563, L. 2021.)

3 **15-65-121. (Effective July 1, 2027) Distribution of tax proceeds.** (1) The proceeds of the tax
4 imposed by 15-65-111 must, in accordance with the provisions of 17-2-124, be deposited in an account in the
5 state special revenue fund to the credit of the department. The department may spend from that account in
6 accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting
7 and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with
8 the provisions of 17-2-124 and as provided in subsections (2)(a) through ~~(2)(h)~~ (2)(i) of this section, the
9 department shall determine the expenditures by state agencies for in-state lodging for each reporting period
10 and deduct 4% of that amount from the tax proceeds received each reporting period. The department shall
11 distribute the portion of the 4% that was paid with federal funds to the agency that made the in-state lodging
12 expenditure and deposit 30% of the amount deducted less the portion paid with federal funds in the state
13 general fund. The amount of \$400,000 each year must be deposited in the Montana heritage preservation and
14 development account provided for in 22-3-1004.

15 (2) The balance of the tax proceeds received each reporting period and not deducted pursuant to
16 the expenditure appropriation, deposited in the state general fund, distributed to agencies that paid the tax with
17 federal funds, or deposited in the heritage preservation and development account must be transferred to an
18 account in the state special revenue fund to the credit of the department of commerce for tourism promotion
19 and promotion of the state as a location for the production of motion pictures and television commercials, to the
20 lodging sales and use tax distribution account, to the Montana historical interpretation state special revenue
21 account, to the Montana historical society, to the university system, to the state-tribal economic development
22 commission, and to the department of fish, wildlife, and parks, as follows:

23 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside
24 historical signs and historic sites;

25 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel
26 research program;

27 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
28 that have both resident and nonresident use;

- 1 (d) 1.4% to the invasive species state special revenue account established in 80-7-1004;
- 2 (e) ~~63%~~ 31.5% to be used directly by the department of commerce;
- 3 (f) 31.5% to the lodging sales and use tax distribution account provided for in [section 1];
- 4 ~~(f)(g)~~ (i) except as provided in subsection ~~(2)(f)(ii)~~ (2)(g)(ii), 22.5% to be distributed by the department
- 5 to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the
- 6 total proceeds collected statewide; and
- 7 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county,
- 8 resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional
- 9 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area
- 10 district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-
- 11 county, resort area, or resort area district;
- 12 ~~(g)(h)~~ 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal
- 13 economic development commission established in 90-1-131 for activities in the Indian tourism region; and
- 14 ~~(h)(i)~~ 2.6% to the Montana historical interpretation state special revenue account established in 22-3-
- 15 115.
- 16 (3) If a city, consolidated city-county, resort area, or resort area district qualifies under 15-68-
- 17 820(5)(b)(iii) or this section for funds but fails to either recognize a nonprofit convention and visitors bureau or
- 18 submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be
- 19 allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county,
- 20 resort area, or resort area district is located.
- 21 (4) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual
- 22 marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism
- 23 corporation may be used by the department of commerce for tourism promotion and promotion of the state as a
- 24 location for the production of motion pictures and television commercials.
- 25 (5) The tax proceeds received that are transferred to a state special revenue account pursuant to
- 26 subsections (2)(a) through (2)(c), (2)(e), and ~~(2)(f)~~ (2)(g) are statutorily appropriated to the entities as provided
- 27 in 17-7-502.
- 28 (6) The tax proceeds received that are transferred to the invasive species state special revenue

account pursuant to subsection (2)(d) and to the Montana historical interpretation state special revenue account pursuant to subsection ~~(2)(h)~~ (2)(i) are subject to appropriation by the legislature."

Section 6. Section 15-68-502, MCA, is amended to read:

"15-68-502. Returns -- payment -- authority of department. (1) (a) Except as provided in subsection (2), on or before the last day of the month following the calendar quarter in which the transaction subject to the tax imposed by this chapter occurred, a return, on a form provided by the department, and payment of the tax for the preceding quarter must be filed with the department.

(b) Each person engaged in business within this state or using property or services within this state that are subject to tax under this chapter shall file a return.

(c) A person making retail sales at two or more places of business shall file a separate return for each separate place of business.

(d) A person selling accommodations shall include in the return the physical address of the accommodation.

(2) A person who has been issued a seasonal seller's permit shall file a return and pay the tax on the date or dates set by the department.

(3) (a) For the purposes of the sales tax or use tax, a return must be filed by:

(i) a retailer required to collect the tax; and

(ii) a person that:

(A) purchases any items the storage, use, or other consumption of which is subject to the sales tax or use tax; and

(B) has not paid the tax to a retailer required to pay the tax.

(b) Each return must be authenticated by the person filing the return or by the person's agent authorized in writing to file the return.

(4) (a) A person required to collect and pay to the department the taxes imposed by this chapter shall keep records, render statements, make returns, and comply with the provisions of this chapter and the rules prescribed by the department. Each return or statement must include the information required by the rules of the department.

(b) For the purpose of determining compliance with the provisions of this chapter, the department is authorized to examine or cause to be examined any books, papers, records, or memoranda relevant to making a determination of the amount of tax due, whether the books, papers, records, or memoranda are the property of or in the possession of the person filing the return or another person. In determining compliance, the department may use statistical sampling and other sampling techniques consistent with generally accepted auditing standards. The department may also:

- (i) require the attendance of a person having knowledge or information relevant to a return;
- (ii) compel the production of books, papers, records, or memoranda by the person required to attend;
- (iii) implement the provisions of 15-1-703 if the department determines that the collection of the tax is or may be jeopardized because of delay;
- (iv) take testimony on matters material to the determination; and
- (v) administer oaths or affirmations.

(5) Pursuant to rules established by the department, returns may be computer-generated and electronically filed."

Section 7. Section 15-68-820, MCA, is amended to read:

"15-68-820. Sales tax and use tax proceeds. (1) ~~Except as provided in subsections (2) through (6),~~ all money collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by the department ~~into the general fund~~ as provided in subsections (2) through (6).

(2) ~~Twenty-five percent of the~~ The revenue collected on the base rental charge for rental vehicles under 15-68-102(1)(b) and ~~15-68-102(3)(a)(ii)~~ must be deposited as follows:

- (a) 75% in the general fund; and
- (b) 25% in the state special revenue fund to the credit of the senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

(3) ~~Until December 31, 2024, a portion of the~~ The revenue collected on the sale or use of accommodations and campgrounds under 15-68-102(1)(a) and (3)(a)(i) must be deposited as follows:

- (a) 75% in the lodging sales and use tax distribution account provided for in [section 1]; and

- 1 **(b)** 25% as provided in subsection (4).
- 2 **(4)** (a) Through December 31, 2024, the revenue deposited pursuant to subsection (3)(b) must be
- 3 deposited as follows:
- 4 **(i)** 20% in the account established in 22-3-1303 for construction of the Montana heritage center;
- 5 and
- 6 ~~**(b)(ii)**~~ 5% in the account established in 22-3-1307 for historic preservation grants.
- 7 ~~**(4)(b)**~~ Starting January 1, 2025, ~~a portion of the revenue collected on the sale or use of~~
- 8 ~~accommodations and campgrounds under 15-68-102 (1)(a) and (3)(a)(i)~~ the revenue deposited pursuant to
- 9 subsection (3)(b) must be deposited or distributed as follows:
- 10 ~~**(a)(i)**~~— 6% in the account established in 22-3-1304 for operation and maintenance of the Montana
- 11 heritage center;
- 12 ~~**(b)(ii)**~~ 6% distributed as provided in subsection (5);
- 13 ~~**(c)(iii)**~~ 6% in the account established in 22-3-1307 for historic preservation grants; and
- 14 ~~**(d)(iv)**~~ 7% in the account established in 17-7-209.
- 15 **(5)** (a) Before allocating the balance of the tax proceeds provided for in subsection (4)(b)(ii) in
- 16 accordance with the provisions of 17-2-124 and as provided in subsection (5)(b) of this section, the department
- 17 shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 1%
- 18 of that amount from the tax proceeds received each reporting period. The department shall distribute the
- 19 portion of the 1% that was paid with federal funds to the agency that made the in-state lodging expenditure and
- 20 deposit 30% of the amount deducted less the portion paid with federal funds in the state general fund.
- 21 **(b)** The balance of the tax proceeds received each reporting period and not distributed to agencies
- 22 that paid the tax with federal funds must be transferred to an account in the state special revenue fund to the
- 23 credit of the department of commerce for tourism promotion and promotion of the state as a location for the
- 24 production of motion pictures and television commercials, to the department of fish, wildlife, and parks, and to
- 25 the state-tribal economic development commission as follows:
- 26 **(i)** 7% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks
- 27 that have both resident and nonresident use;
- 28 **(ii)** 68.5% to be used directly by the department of commerce;

(iii) (A) except as provided in subsection (5)(b)(iii)(B), 24% to be distributed by the department of commerce to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(B) if 24% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district; and

(iv) 0.5% to the state special revenue account provided for in 90-1-135 for use by the state-tribal economic development commission established in 90-1-131 for activities in the Indian tourism region.

(6) The tax proceeds received that are transferred to a state special revenue account pursuant to subsection (5)(b) are allocated to the entities."

Section 8. Section 22-3-1303, MCA, is amended to read:

"22-3-1303. Account -- Montana heritage center construction. There is an account in the capital projects fund established in 17-2-102 known as the Montana heritage center construction account. The tax collections allocated in 15-68-820(3)(a) must be deposited in the account until December 31, 2024. The money in the account is authorized to the department of administration and may be used only for capital construction of the Montana heritage center."

Section 9. Section 22-3-1304, MCA, is amended to read:

"22-3-1304. Account -- Montana heritage center operations. There is an account in the state special revenue fund established in 17-2-102 known as the Montana heritage center operations account. The tax collections allocated in 15-68-820(4)(a) must be deposited in the account. The money in the account may be used only for expenses incurred in the operation and maintenance of the Montana heritage center, which may include the veterans' and pioneer memorial building."

Section 10. Section 22-3-1307, MCA, is amended to read:

"22-3-1307. Historic preservation grant program account. (1) There is an account in the state special revenue fund established in 17-2-102 known as the historic preservation grant program account. The tax collections allocated in 15-68-820(3)(b) and (4)(e) must be deposited in the account.

(2) Money deposited in the account is subject to appropriation by the legislature and may be used only for historic preservation grants to be administered by the department of commerce.

(3) The department shall allocate and disburse historic preservation account funds as appropriated by the legislature."

Section 11. Section 90-1-135, MCA, is amended to read:

"90-1-135. Special revenue accounts. (1) There is a state special revenue account in the state treasury for the receipt of state and private funds and a federal special revenue account in the state treasury for the receipt of federal funds for expenditure by the state-tribal economic development commission established in 90-1-131.

(2) Money in the state special revenue account from proceeds distributed under ~~15-65-121(2)(g)~~ 15-65-121(2)(h) is to be used for activities for the Indian tourism region, defined in 15-65-101.

(3) Except as provided in subsection (2), money in the accounts established in subsection (1) must be used to pay:

(a) the commission's administrative costs;

(b) the salary, benefits, and administrative expenses of the tribal business center coordinator and the federal grants coordinator; and

(c) the costs of conducting or commissioning and periodically updating or otherwise modifying a comprehensive assessment of economic development needs and priorities on each of the Indian reservations in the state.

(4) Money in the accounts that is not expended for the purposes identified in subsection (2) or (3) may be used for other purposes that the commission considers prudent or necessary.

(5) Interest and income earned on the money in the accounts must be deposited in the accounts for the commission's use."

